

**EXHIBIT 3**

**Bradly Schwab Deposition Tr. (Excerpt)**

Page 1

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2 IN THE UNITED STATES BANKRUPTCY COURT  
3 FOR THE NORTHERN DISTRICT OF ILLINOIS  
4 EASTERN DIVISION

5

6

In re: ) Case No. 15-01145  
7 ) (ABG)  
CAESARS ENTERTAINMENT )  
8 OPERATING COMPANY, INC., ) Chapter 11  
et al., )  
9 )  
Debtors. )  
10 ----- )  
11  
12  
13  
14  
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16 DEPOSITION OF BRADLY SCHWAB

17 New York, New York

18 Tuesday, January 16, 2018

19

20

21

22

23 Reported by:

24

KRISTIN KOCH, RPR, RMR, CRR

25

JOB NO. 135595A

1 B. Schwab

2 paragraph, the second sentence in particular,  
3 the one which begins "if this is a transaction  
4 Planet Hollywood would like to pursue."

5 A. Uh-huh.

6 Q. Is it correct that you understood at  
7 that point in time that you did not have an  
8 agreement concerning the terms of a purchase  
9 and sale agreement with Earl of Sandwich?

10                          MR. BALBER: Object to the form of  
11                          the question.

12           A.       As I said, I don't remember  
13 specifically at that point in time. All I can  
14 refer to is what's written in front of me.

15 Q. Is it fair to say that you wouldn't  
16 have said "if this is a transaction Planet  
17 Hollywood would like to pursue" if you  
18 understood you had a deal at that point in  
19 time?

20 MR. BALBER: Object to the form of  
21 the question.

22 A. It's just words. I mean, I think  
23 there is a transaction based on 59.72 percent  
24 of 2.15 million.

25 O. Based on the e-mails that we have

1 B. Schwab

2 reviewed so far, did you understand Cowen to  
3 have had an agreement with Earl of Sandwich  
4 concerning the purchase and sale of the  
5 bankruptcy claim?

6           A.       Can you define "agreement"?

7 Q. A mutual understanding concerning  
8 the purchase and sale of the bankruptcy claim  
9 whose terms were defined -- under defined  
10 terms.

11           A.       I would say an understanding to  
12 employ best efforts to move forward to see if  
13 you could get to a document that's mutually  
14 acceptable.

15 Q. Is that based solely on Thomas' 2:04 p.m. e-mail on the third page of the -- of  
16  
17 Exhibit 81?

18                           MR. BALBER: Object to the form of  
19 the question.

20           A.       I guess it is. I mean, if you are  
21 just referring to an e-mail, I guess.

22 Q. Do you remember having spoken with  
23 Thomas Avallone?

24 A. I remember speaking -- I know there  
25 was a conversation. I don't remember the

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<sup>2</sup> contents of the conversation.

3 Q. I am going to refer you to the  
4 9:47 a.m. e-mail that precedes it on the same  
5 page in which Thomas Avallone writes to you:  
6 "Please forward draft document."

7                           Do you remember having received this  
8 e-mail?

9           A.       I don't recall receiving it, but  
10      it's here.

11 Q. Sitting here today, what did you  
12 understand this response to mean?

13           A.       That there is an understanding to  
14       push forward all subject to figuring out a  
15       purchase and sale agreement, which is subject  
16       to negotiation based on the terms and  
17       conditions that were listed earlier.

18 Q. Is it possible that Tom was  
19 responding to your e-mail -- to the second  
20 paragraph of your 3:47 p.m. e-mail "please  
21 confirm that you are good with the above terms  
22 and I will forward you a purchase and sale  
23 agreement for review"?

24 MR. BALBER: Object to the form of  
25 the question.

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2                   A.        No.     Not that I know.   And this is  
3   Thursday.    No, I don't believe there is.

4 Q. You testified earlier that Cowen  
5 Special Investments did not record bankruptcy  
6 claim trades absent the existence of an  
7 Assignment of Claim Agreement; is that correct?

8 MR. BALBER: Objection.

9 Mischaracterizes the witness' prior  
10 testimony.

11 You can answer.

12           A.       We did not put anything on the books  
13       and records until there were signed purchase  
14       and sale agreements.

15 Q. On January 12 did you instruct --  
16 withdrawn.

17                   Following this e-mail exchange, did  
18 you do anything to ensure that this claim trade  
19 was reflected on Cowen's books and records?

20           A.       After the correspondence I had I  
21    wasn't involved in the transaction ever again.

Q. Do you know who was involved?

23           A.       I would -- I mean, from the  
24     standpoint of Gail was managing the process and  
25     then it went from there.

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2 Q. Do you know if Gail did anything to  
3 ensure that the trade was reflected on the  
4 books and records of Cowen Special Investments?

5           A.       Not that I'm aware of, just because  
6       you wouldn't put it on the books and records  
7       unless there is an executed purchase and sale  
8       agreement.

9 Q. Did Thomas ever tell you that any  
10 transaction with Earl would be subject to the  
11 approval of Robert Earl?

12           A.       I don't remember. I only know there  
13       was a conversation which I don't remember the  
14       contents of.

15 Q. Did Thomas ever advise you that he  
16 was a member of the Official Committee of  
17 Unsecured Creditors in the Caesars Chapter 11  
18 cases?

19 A. I don't remember.

20 (Exhibit 83, e-mail dated January  
21 12, 2017, Bates stamped Confidential  
22 CSI\_00000112 through Confidential  
23 CSI 00000122, marked for identification.)

24 Q. Do you recognize this document? I  
25 am referring to the first page only.

1

2 C E R T I F I C A T E

3

4 STATE OF NEW YORK )

5 ) ss.:

6 COUNTY OF NASSAU )

7

8 I, KRISTIN KOCH, a Notary Public  
9 within and for the State of New York, do  
10 hereby certify:

11 That BRADLY SCHWAB, the witness whose  
12 deposition is hereinbefore set forth, was  
13 duly sworn by me and that such deposition  
14 is a true record of the testimony given by  
15 such witness.

16 I further certify that I am not  
17 related to any of the parties to this  
18 action by blood or marriage; and that I am  
19 in no way interested in the outcome of this  
20 matter.

21 IN WITNESS WHEREOF, I have hereunto  
22 set my hand this 19th day of January, 2018.

23 -----

24 KRISTIN KOCH, RPR, RMR, CRR, CLR